

SOUND TRANSIT

MOTION NO. M2004-78

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the Chief Executive Officer to execute a contract with Balfour Beatty, Inc. for construction of the Pine Street Stub Tunnel and retrofit of the Downtown Seattle Transit Tunnel in the amount of \$82,700,000, with a 10% contingency of \$8,270,000, for a total authorized amount not to exceed \$90,970,000, which includes reimbursements to Sound Transit by King County Metro and Qwest for betterment work in the amount of \$8,126,871.

Background:

This contract includes the civil facilities construction for the Pine Street Stub Tunnel and retrofit of the Downtown Seattle Transit Tunnel (DSTT), including (a) construction of a tunnel and approximately 730-foot long tunnel below Pine Street using cut and cover methods; (b) reconstruction of Pine Street following construction of the Pine Street Stub Tunnel; and (c) retrofitting of the existing DSTT, including installation of replacement tracks to accommodate low-floor light rail vehicles and buses, relocation of existing lights and fire protection equipment, and refurbishing of existing surfaces in the four DSTT stations.

Construction of the Pine Street Stub Tunnel and the retrofitting of the DSTT will require temporarily closing the DSTT to bus service beginning in September of 2005. Sound Transit committed that this temporary closure would not to exceed two years (24 months). The C510 contract schedule sets the stage for re-opening the DSTT to bus service 21 months after the start of the closure. The reduction in the closure period from the baseline assumption of 24 months to 21 months is expected to reduce Sound Transit's debt service costs for the DSTT.

Given the critical importance of the C510 contract work in relation to the DSTT bus operations, Sound Transit adopted a procurement selection process for the C510 contract that placed significant emphasis on contractors' commitment to schedule performance. Under this process, bids were evaluated in terms of both cost and schedule performance. Under the provisions of the schedule element of their bid, Balfour Beatty committed to complete the critical Pine Street tunnel construction 110 days earlier than the maximum allowable duration established by Sound Transit.

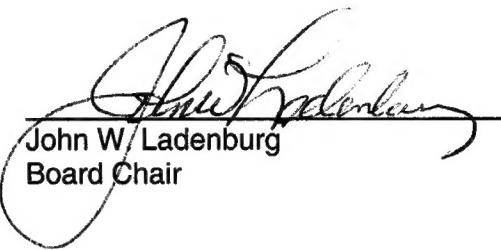
In light of the current steel price volatility, the C510 contract amount includes allowances to address potential steel price increases.

The C510 contract includes betterment work related to the upgrading of existing DSTT equipment and systems for which King County Metro (KCM) will reimburse Sound Transit in the estimated amount of \$7,836,652. This amount includes a 15 percent contingency. In addition, KCM will reimburse Sound Transit in the amount of \$285,219 for pole and trolley wire relocations along Pine Street. The C510 contract also includes betterment work for Qwest in the amount of \$5,000.

Motion:

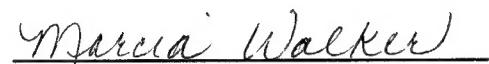
It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the Chief Executive Officer is authorized to execute a contract with Balfour Beatty, Inc. for construction of the Pine Street Stub Tunnel and retrofit of the Downtown Seattle Transit Tunnel in the amount of \$82,700,000, with a 10% contingency of \$8,270,000, for a total authorized amount not to exceed \$90,970,000, which includes reimbursements to Sound Transit by King County Metro and Qwest for betterment work in the amount of \$8,126,871.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on August 12, 2004.



John W. Ladenburg
Board Chair

ATTEST:



Marcia Walker
Marcia Walker
Board Administrator